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# To Construe or Not to Construe: At the Interface Between Claim Construction and Infringement in Patent Cases

Jason R. Mudd\*

## I. INTRODUCTION

The United States Court of Appeals for the Federal Circuit is approaching its thirtieth anniversary<sup>1</sup> as the key driving force behind development of patent law in the United States.<sup>2</sup> As a single, specialized appellate court, the Federal Circuit has exclusive jurisdiction to hear patent appeals from U.S. district courts and the International Trade Commission.<sup>3</sup> Its ability to adapt modern patent jurisprudence to address the evolving concerns of the patent law community and the needs of the patent system is unique and powerful.<sup>4</sup>

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1. See *S. Corp. v. United States*, 690 F.2d 1368, 1369 (Fed. Cir. 1982) (en banc) (the first decision of the newly created Court of Appeals for the Federal Circuit).

2. See R. Polk Wagner & Lee Petherbridge, *Is the Federal Circuit Succeeding? An Empirical Assessment of Judicial Performance*, 152 U. PA. L. REV. 1105, 1115-17 (2004).

3. See 28 U.S.C.A. § 1295 (West 2001 & Supp. 2011) (discussing the jurisdiction of the Court of Appeals for the Federal Circuit).

4. Wagner & Petherbridge, *supra*, note 2, at 1115-17 (noting that “the Federal Circuit has become, by far, the most powerful and influential force in the U.S. patent system”). As a contrast to the often slow pace of Congressional patent reform, the judiciary, with the leadership of the Federal Circuit, has been leading a fast-paced patent reform effort. See, e.g., William C. Rooklidge & Alyson G. Barker, *Reform of a Fast-Moving Target: The Development of Patent Law Since the 2004 National Academies Report*, 91 J. PAT. & TRADEMARK OFF. SOC’Y 153, 153-56 (2009). As of the date of publication of this Article, however, the House and Senate had passed and President Obama had signed into law H.R. 1249, the Smith-Leahy “America Invents Act,” which makes significant changes to U.S. patent law. See Leahy-Smith America Invents Act, H.R. 1249, 112th Cong. (2011) (passed by the Senate on September 8, 2011); see also Dennis Crouch, *New Patent Regime Signed into Law*, PATENTLY-O

A frequently exercised and somewhat controversial power of the Federal Circuit is its ability to perform de novo review of trial court determinations of claim construction, which assigns a legal scope to patent claims as a matter of law.<sup>5</sup> Claim construction is perhaps the most critical issue in patent disputes and commentators frequently identify it as a key factor underlying high reversal rates and uncertainty in patent law.<sup>6</sup>

This fundamental issue in how our courts resolve patent disputes involves a difficult line-drawing exercise between two steps: First, the court must construe the legal scope of patent claims as a matter of law, and, second, the fact finder must apply the construed claims to the accused instrumentality to determine infringement as a question of fact.<sup>7</sup> The Federal Circuit recognized this theoretical construct early in its jurisprudence<sup>8</sup> and subsequently said it “requires two *separate* steps.”<sup>9</sup> Further, the *Markman v. Westview Instruments, Inc.* and *Cybor Corp. v. FAS Technologies, Inc.* opinions have “invigorated”<sup>10</sup> and “amplified” the first step, claim construction, as a threshold legal inquiry to be performed exclusively by the court prior to addressing

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BLOG (Sept. 16, 2011, 2:53 PM), <http://www.patentlyo.com/patent/2011/09/new-patent-regime-signed-into-law.html>.

5. Christian A. Chu, *Empirical Analysis of the Federal Circuit's Claim Construction Trends*, 16 BERKELEY TECH. L.J. 1075, 1084 (2001) (“[T]he Federal Circuit generally review[s] claim constructions [sic] appeals under the de novo standard, doing so independently and without deference to the trial judge’s determination.”).

6. Kimberly A. Moore, *Markman Eight Years Later: Is Claim Construction More Predictable?*, 9 LEWIS & CLARK L. REV. 231, 239, 246 (2005) (finding that the Federal Circuit reversed one or more claim constructions in 37.5% of the cases in which claim construction was appealed); Lee Petherbridge, *The Claim Construction Effect*, 15 MICH. TELECOMM. & TECH. L. REV. 215, 228-29 (2008) (finding support for hypothesis that errors in claim construction appear to bleed into and make other areas of patent law unpredictable); David L. Schwartz, *Practice Makes Perfect? An Empirical Study of Claim Construction Reversal Rates in Patent Cases*, 107 MICH. L. REV. 223, 267 (2008) (finding no evidence that reversal rate of claim construction by U.S. district judges improves with experience); Michael Saunders, Note, *A Survey of Post-Phillips Claim Construction Cases*, 22 BERKELEY TECH. L.J. 215, 236 (2007) (finding continued and consistent high reversal rates after *Phillips*).

7. *Markman v. Westview Instruments, Inc.*, 517 U.S. 370, 384 (1996) (citing *Winans v. Denmead*, 56 U.S. 330, 338 (1853)).

8. See *SSIH Equip. S.A. v. U.S. Int’l Trade Comm’n*, 718 F.2d 365, 376 (Fed. Cir. 1983).

9. See *Southwall Techs., Inc. v. Cardinal IG Co.*, 54 F.3d 1570, 1575 (Fed. Cir. 1995) (emphasis added).

10. Jay P. Kesan & Gwendolyn G. Ball, *How Are Patent Cases Resolved? An Empirical Examination of the Adjudication and Settlement of Patent Disputes* 56 (Univ. of Ill. Coll. of Law, Law and Economics Working Papers, Paper No. 52, 2006), available at <http://law.bepress.com/cgi/viewcontent.cgi?article=1051&context=uiuclwps>.

the question of infringement.<sup>11</sup> As a consequence, drawing the line between these two inquiries, which occurs in every patent dispute, usually has the effect of determining whether a judge, as a matter of law, or a jury, as a matter of fact, resolves the question of infringement.<sup>12</sup> This line, however, is often difficult to draw and is subject to potential strategic maneuvering. Because of the difficulty in drawing this line, the Federal Circuit's precedents often seem to provide inconsistent guidance on how far the judge's duty to construe claims extends and where the fact finder's role in determining infringement begins.<sup>13</sup> As a result, courts and litigants have substantial leeway in defining the law-fact divide and, perhaps, the judge-jury allocation in individual cases.

This Article conceptualizes the imaginary "line" or "boundary" that lies at the interface between the legal inquiry of claim construction and the separate, factual inquiry of infringement by analyzing it in two key respects: "procedural" and "substantive." The line exists procedurally as the proximity in time between the act of construing claim scope and the act of applying that claim scope to the accused instrumentality. The line exists substantively in the extent to which claim construction is used to define the boundaries and contours of claim scope in a manner that readily maps to an accused product versus the extent to which "unconstrued" plain claim language is simply compared to the accused product. Whether considered in the procedural or substantive context, the law has difficulty drawing precise boundaries between claim construction and infringement, which are, in theory, separate inquiries of fact and law. As a result, in practice, this boundary may perhaps more appropriately be understood as existing on a continuum, rather than as a line.

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11. Wagner & Petherbridge, *supra* note 2, at 1123-24 (discussing the reinforcing effect of *Cybor*).

12. See *Markman*, 517 U.S. at 387 (noting that this fine line has been drawn by the Court "repeatedly in explaining the respective roles of the jury and judge in patent cases"). Of course, a very similar line drawing occurs in the context of litigating patent validity, in which claim elements, construed as a matter of law, are compared to prior art to determine whether the prior art teaches or "anticipates" the claim element as a question of fact. See *Amazon.com, Inc. v. Barnesandnoble.com, Inc.*, 239 F.3d 1343, 1351 (Fed. Cir. 2001) ("Conceptually, the first step of an invalidity analysis based on anticipation and/or obviousness in view of prior art references is no different from that of an infringement analysis."), *abrogated on other grounds by eBay Inc. v. MercExchange, L.L.C.*, 547 U.S. 388, 391, *as recognized in Bettcher Indus., Inc. v. Bunzl USA, Inc.*, 692 F. Supp. 2d 805, 820 (N.D. Ohio 2010). For the sake of simplicity, this Article focuses on the infringement context, rather than the validity context.

13. See Peter S. Menell, Matthew D. Powers & Steven C. Carlson, *Patent Claim Construction: A Modern Synthesis and Structured Framework*, 25 BERKELEY TECH. L.J. 711, 735 (2010) ("When imprecise language should be left to the jury remains a subtle, confounding, and thorny aspect of patent adjudication.").

## IN THEORY



## THE REALITY



This Article examines the blurring of this interface in both the “procedural” and “substantive” contexts. Part I discusses the background and modern legal framework for classifying claim construction as a pure question of law that is answered prior to and separate from the issue of infringement. Part II analyzes the claim construction-infringement boundary in a procedural context by examining the stages of a case at which these inquiries are typically performed and the degree to which courts construe claims “in a vacuum,” without reference to the accused product. This Part explains that courts are becoming increasingly accepting of and often prefer conducting claim construction in the context of the accused product, which blurs the procedural “line” between claim construction and infringement. Part III analyzes the claim construction-infringement boundary in the substantive context by examining the extent to which a court obliquely can apply the “plain and ordinary meaning” of claim terms to an accused product to assess infringement without further construing claim language to define claim scope. This Part discusses how the Federal Circuit’s *O2 Micro International Ltd. v. Beyond Innovation Technology, Co.* opinion biases the substantive boundary toward deciding liability as a legal question of claim construction. Finally, Part IV concludes with a series of strategic considerations for litigants in light of the conclusion that claim construction and infringement, in practice, lie on a continuum of uncertainty, rather than in separate inquiries cleanly divided by a bright line.

## II. ESTABLISHMENT OF THE MODERN CLAIM CONSTRUCTION INQUIRY THROUGH *MARKMAN* AND *CYBOR*

### A. Markman

In the landmark U.S. Supreme Court case, *Markman v. Westview Instruments, Inc.*, the patentee contended that the meaning of the claim term “inventory” was a factual issue that he was entitled to present to a jury under

the Seventh Amendment.<sup>14</sup> A divided en banc Federal Circuit had held that the right to a jury trial on the question of infringement did not extend to matters of claim construction.<sup>15</sup> The Supreme Court unanimously affirmed the Federal Circuit.<sup>16</sup> As with other Seventh Amendment questions, the Supreme Court conducted a detailed examination of the common law tradition to determine whether issues of claim interpretation (or interpretation of patent documents) were handled by judges or juries.<sup>17</sup> Ultimately, the Court did not find sufficient evidence of juries performing this task and, accordingly, held that the Seventh Amendment did not apply.<sup>18</sup> Next, for predominantly functional and policy reasons, the Court held that interpretation of claim terms should be performed exclusively by judges, rather than juries.<sup>19</sup>

Since *Markman*, the issue of claim construction being decided by the court, rather than the finder of fact, has been entrenched firmly in patent law.<sup>20</sup> Subsequent to *Markman*, a somewhat open question remained as to whether the Federal Circuit should provide any deference to lower courts' claim construction determinations, especially where those constructions were based on substantial factual considerations. *Cybor Corp. v. FAS Technologies, Inc.* answered this question.<sup>21</sup>

### B. Cybor

The Federal Circuit's en banc *Cybor* decision is said to have "amplified" the effect of *Markman*.<sup>22</sup> *Cybor* did so by confirming that claim construction is a "purely legal question" that is reviewed de novo on appeal by the Federal Circuit.<sup>23</sup> The majority opinion was premised on the view that the Supreme Court's *Markman* opinion had left undisturbed the Federal Circuit's holding in *Markman* that claim construction is purely a matter of law.<sup>24</sup> Several judg-

14. *Markman*, 517 U.S. at 376.

15. *Markman v. Westview Instruments, Inc.*, 52 F.3d 967, 988 (Fed. Cir. 1995) (en banc) *aff'd*, 517 U.S. 370 (1996).

16. *Markman*, 517 U.S. at 372 ("We hold that the construction of a patent, including terms of art within its claim, is exclusively within the province of the court.").

17. *Id.* at 377. As the Court noted, this exercise was made difficult because the modern concept of a patent claim did not exist at common law and came into existence gradually over time. *Id.* at 378-79. Eventually, claims were incorporated into the statutory framework of the U.S. patent system. *Id.* at 379.

18. *Id.* at 379-84.

19. *Id.* at 388-91.

20. See, e.g., 84 AM. JUR. 3D *Proof of Facts* § 6 (2011).

21. 138 F.3d 1448 (Fed. Cir. 1998) (en banc).

22. *Wagner & Petherbridge*, *supra* note 2, at 1123-24 ("Thus, the Federal Circuit has not merely embraced the special mandate underlying the *Markman II* decision – it has reinforced it.").

23. *Cybor*, 138 F.3d at 1456.

24. *Id.*

es, though concurring in the judgment, disagreed with the majority's interpretation of the Supreme Court's *Markman* opinion.<sup>25</sup> In Judge Rader's view, the Supreme Court did not address appellate review of claim construction and instead "repeatedly intimated that claim construction was not a purely legal matter."<sup>26</sup> Rader disagreed with the view that claim construction was a pure question of law to be reviewed de novo and argued that this holding "will undermine, if not destroy, the values of certainty and predictability sought by *Markman I*" because no deference would be given to trial court claim interpretations.<sup>27</sup> Judge Newman similarly argued that it was a "fiction" to suggest that claim interpretation was purely legal and does not involve the finding of any facts.<sup>28</sup> In her view, the Supreme Court had not affirmed the Federal Circuit's "fact/law theory" and called it an "artificial construct."<sup>29</sup> Judge Mayer also viewed *Markman* as not prohibiting the submission of subsidiary factual disputes to a jury even though it requires the judge to make the ultimate determination as to the legal meaning of a claim.<sup>30</sup> He found this interpretation to be especially supported in the case of means-plus-function claim elements, which are construed, as a matter of law, to cover corresponding structure and equivalents thereof, but with the scope of such equivalents being a question of fact for the fact finder.<sup>31</sup> As Mayer acknowledged, the claim construction and infringement inquiries collapse into one in this context.<sup>32</sup>

Years later, the Federal Circuit remains divided over the fact-law dichotomy that preserves claim construction as a "pure" matter of law. Judge Mayer's dissent in *Phillips v. AWH Corp.* demonstrated this persistent division in a case that was to resolve differences as to the proper methodology for claim construction.<sup>33</sup> His strong dissent, joined by Judge Newman, stated that they were "convinced of the futility, indeed the absurdity, of this court's persistence in adhering to the falsehood that claim construction is a matter of law

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25. See *id.* at 1463-73 (Mayer, C.J., with Newman, J., concurring); *id.* at 1473-78 (Rader, J., concurring in part and dissenting in part); *id.* at 1478-81 (Newman, J., presenting additional views); *id.* at 1463 (Mayer, C.J., with Newman, J., concurring) ("I respectfully disagree with the opinion because it profoundly misapprehends *Markman v. Westview Instruments, Inc.*").

26. *Id.* at 1473 (Rader, J., concurring in part and dissenting in part).

27. *Id.* at 1474.

28. *Id.* at 1480 (Newman, J., presenting additional views).

29. *Id.*

30. *Id.* at 1466 (Mayer, C.J., with Newman, J., concurring).

31. *Id.* at 1466-67.

32. *Id.* at 1467.

33. 415 F.3d 1303, 1303 (Fed. Cir. 2005) (en banc); *id.* at 1330 (Mayer, J., dissenting).

devoid of any factual component.”<sup>34</sup> The Federal Circuit was presented with the opportunity to re-visit *Cybor* by a petition for re-hearing en banc in the *Amgen Inc. v. Hoechst Marion Roussel, Inc.*, case in 2006.<sup>35</sup> Though the petition was denied, seven judges expressed a desire to reconsider the Federal Circuit’s rule of no deference from *Cybor*.<sup>36</sup> In the view of then Chief Judge Paul Michel, the Federal Circuit’s eight years of experience with the *Markman-Cybor* regime had revealed several practical problems.<sup>37</sup> These problems included a “high reversal rate,” “a lack of predictability about appellate outcomes,” loss of the trial judge’s comparative advantage of being closest to the full evidentiary record, and an “inundation of [the Federal Circuit] with the minutia of construing numerous disputed claim terms . . . in nearly every patent case.”<sup>38</sup> Commentators also have criticized the *Cybor* rule for similar reasons.<sup>39</sup> Notwithstanding the existence of internal disagreement within the Federal Circuit and continuing external criticisms, claim construction remains a purely legal question that receives no deference on appeal.<sup>40</sup> Having discussed the legal framework that firmly establishes claim construction as an inquiry for the court, the next Part discusses how courts procedurally carry

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34. *Id.* at 1330, 1332 (“While this court may persist in the delusion that claim construction is a purely legal determination, unaffected by underlying facts, it is plainly not the case.”).

35. *Amgen Inc. v. Hoechst Marion Roussel, Inc.*, 469 F.3d 1039, 1039-40 (Fed. Cir. 2006).

36. *Id.* at 1040. Judges Michel, Newman, Rader and Moore all argued in favor of rehearing in order to reconsider the rule of *Cybor*. *Id.* at 1040-41 (Michel, J., dissenting); *id.* at 1041-43 (Newman, J., dissenting); *id.* at 1044-45 (Rader, J., dissenting); *id.* at 1045-46 (Moore, C.J., dissenting). Judges Gajarsa, Linn, and Dyk, agreed that *Cybor* should be reconsidered, but felt *Amgen* was not the appropriate case for doing so. *Id.* at 1045 (Gajarsa, Linn & Dyk, JJ., concurring).

37. *Id.* at 1040 (Michel, C.J., dissenting).

38. *Id.* (noting that the standard of review of no deference was based on the notion “that claim construction is always a purely legal exercise, devoid of factual content” that the court has likened to statutory construction).

39. See, e.g., William Burgess, Comment, *Simplicity at the Cost of Clarity: Appellate Review of Claim Construction*, 153 U. PA. L. REV. 763, 796 (2004) (“*Cybor* has been a failure in practice . . .”); Frederick L. Whitmer, *Claim Construction in Patent Cases: A Question of Law?*, 2 LANDSLIDE, July/Aug. 2010, at 14, 15 (2010) (arguing that “the *Cybor* uncertainty principle . . . exercises a detrimental effect on the operation of the patent litigation regime in the United States”), available at [http://www.kilpatricktownsend.com/~media/Files/articles/2010/Whitmer%20-%20Landslide\\_2%206.ashx](http://www.kilpatricktownsend.com/~media/Files/articles/2010/Whitmer%20-%20Landslide_2%206.ashx).

40. It should be noted that notwithstanding the absence of any official deference to trial court claim constructions, Judge Bryson has suggested that the Federal Circuit attempt to provide unofficial deference to the efforts of the trial court. *Cybor Corp. v. FAS Techs., Inc.*, 138 F.3d 1448, 1463 (Bryson, J., concurring) (“[O]ur adoption of the rule that claim construction is an issue of law does not mean that we intend to disregard the work done by district courts in claim construction or that we will give no weight to a district court’s conclusion as to claim construction . . .”).



out the process of claim construction, which, in a procedural sense, affects the proximity between the legal inquiry of claim construction and the factual inquiry of infringement.

### III. PROCEDURAL LINE DRAWING: CLAIM CONSTRUCTION PROCEDURE AND CONSTRUING IN LIGHT OF THE ACCUSED PRODUCT

#### A. Claim Construction Procedure

Procedurally, the Federal Circuit has not mandated a particular procedure that must be employed by lower courts in performing claim construction.<sup>41</sup> Contrary to past recommendations that judges perform *Markman* around the time of summary judgment motions,<sup>42</sup> courts following local patent rules or similar standard practice usually conduct claim construction early in a case, during discovery. While the standard practice is for district courts to conduct *Markman* hearings, courts sometimes decide claim construction on a paper record.<sup>43</sup> The International Trade Commission traditionally has not conducted separate *Markman* hearings but recently has adopted this practice.<sup>44</sup>

During the process of claim construction (or “the *Markman* process”), the parties typically exchange respective lists of claim terms or elements that they contend require construction by the court.<sup>45</sup> Subsequently, the parties will exchange proposed constructions.<sup>46</sup> The parties then engage in a meet and confer process in hopes of identifying areas of agreement and focusing the parties’ dispute.<sup>47</sup> Many courts standardize this process through local patent rules or at the request of parties during the initial case scheduling con-

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41. *Ballard Med. Prods. v. Allegiance Healthcare Corp.*, 268 F.3d 1352, 1358 (Fed. Cir. 2001) (“*Markman* does not require a district court to follow any particular procedure in conducting claim construction. It merely holds that claim construction is the province of the court, not a jury.”).

42. *E.g.*, William F. Lee & Anita K. Krug, *Still Adjusting to Markman: A Prescription for the Timing of Claim Construction Hearings*, 13 HARV. J.L. & TECH. 55, 57 (1999).

43. *E.g.*, *Rogers v. Desa Int’l, Inc.*, 166 F. Supp. 2d 1202, 1205 (E.D. Mich. 2001) (court opting to decide the issue based on papers filed).

44. *See, e.g.*, Certain Mobile Tels. and Wireless Comm’n Devices Featuring Digital Cameras, and Components Thereof, 75 Fed. Reg. 65,654 (USITC Oct. 26, 2010) (notice), available at <http://www.gpo.gov/fdsys/pkg/FR-2010-10-26/pdf/2010-26976.pdf> (holding that *Markman* orders in ITC investigations are “orders,” not “determinations” that are immediately reviewable by the Commission).

45. *See, e.g.*, Edward Brunet, *Markman Hearings, Summary Judgment, and Judicial Discretion*, 9 LEWIS & CLARK L. REV. 93, 110 (2005).

46. *Id.*

47. *See id.*

ference.<sup>48</sup> Importantly, the parties have significant control over which terms will be selected for construction by the court. Usually, the court does not decide the universe of terms to be construed.

Under the procedures most commonly employed, district courts perform the legal inquiry of claim construction significantly earlier in a case than they apply the construed claims to the accused products to assess the factual question of infringement. This practice separates the two inquiries in time and has the practical effect of drawing a procedural line between claim construction and infringement.

### *B. Construction in Light of the Accused Product*

Traditionally, the Federal Circuit disfavored the practice of performing claim construction “in light of” or with “reference to” the accused product.<sup>49</sup> The Federal Circuit feared that a judge construing claims in light of the accused device may be more likely to “prejudge the ultimate infringement analysis by construing claims with an aim to include or exclude an accused product or process.”<sup>50</sup> And conducting *Markman* hearings early in a case, outside of the context of the accused device, may help a district court avoid this practice.<sup>51</sup> The traditional rule, therefore, instructed judges to construe claims in a vacuum. On appeal, however, the Federal Circuit is frequently doing just the opposite: performing de novo review of claim construction in light of its impact on a final judgment of (non)infringement.<sup>52</sup> More recently, the Federal Circuit, though attempting to preserve the old rule, substantially watered it down in *Wilson Sporting Goods Co. v. Hillerich & Bradsby Co.*:

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48. See, e.g., *Patent Local Rules*, U.S. DISTRICT CT. FOR THE N. DISTRICT OF CAL., (Apr. 2011), available at <http://www.cand.uscourts.gov/filelibrary/177/Pat4.pdf>. The Northern District of California and Eastern District of Texas were early adopters of Local Patent Rules. Since, numerous districts have followed suit by adopting very similar procedures for conducting claim construction and managing patent cases (e.g., for exchange of infringement contentions and invalidity contentions, etc.).

49. *SRI Int'l v. Matsushita Elec. Corp. of Am.*, 775 F.2d 1107, 1118 (Fed. Cir. 1985) (en banc) (The court held that a claim is not construed “in light of the accused device” and explaining that “claims are not construed ‘to cover’ or ‘not to cover’ the accused device. That procedure would make infringement a matter of judicial whim. It is only *after* the claims have been *construed without reference to the accused device* that the claims, as so construed, are applied to the accused device to determine infringement.”); see also *NeoMagic Corp. v. Trident Microsystems, Inc.*, 287 F.3d 1062, 1074 (Fed. Cir. 2002) (“[C]laims may not be construed by reference to the accused device.”).

50. *Wilson Sporting Goods Co. v. Hillerich & Bradsby Co.*, 442 F.3d 1322, 1326 (Fed. Cir. 2006).

51. See *id.*

52. See, e.g., *id.* (“This court reviews claim construction only as necessary to reach that final judgment on an infringement cause of action.”).

[T]he rule forbids a court from tailoring a claim construction to fit the dimensions of the accused product or process and to reach a preconceived judgment of infringement or noninfringement. In other words, it forbids biasing the claim construction process to exclude or include specific features of the accused product or process. The rule, however, does not forbid awareness of the accused product or process to supply the parameters and scope of the infringement analysis, including its claim construction component.<sup>53</sup>

Underlying this holding was the Federal Circuit's frustration with a common practice of patentees who feel they cannot prove infringement under the district court's claim construction. Patentees in this situation will often stipulate to noninfringement in order to immediately appeal, because a court's claim construction order is typically not appealable until after final judgment.<sup>54</sup> Under such circumstances, which existed in *Wilson*, the Federal Circuit may have no evidence in the record as to the operation or design of the accused product. The Federal Circuit expressed frustration with this practice, because it had to review the district court's claim construction without knowing the impact the construction would have on the issue of infringement.<sup>55</sup> As a result, the Court endorsed an increased consideration of the accused product during claim construction.<sup>56</sup> Other Federal Circuit opinions have made similar endorsements, with one suggesting that construing claims in a vacuum may be akin to rendering advisory opinions.<sup>57</sup> Thus the Federal Circuit has promoted a blurring of the line between claim construction and infringement, at least in the procedural context, by encouraging, rather than discouraging, consideration of the accused product when construing claims.

In the view of one commentator, the court's holding in *Wilson* was a "striking admission that it is an oversimplification to conceptualize an infringement analysis as involving two separate steps – the construction of the claims as a matter of law and the determination of the accused device's infringement as a matter of fact."<sup>58</sup> The reality is that claim construction does not occur in a vacuum and is not intended to universally define the scope of

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53. *Id.* at 1331.

54. *See id.*

55. *See id.* at 1330.

56. *See id.* at 1331.

57. *Lava Trading, Inc. v. Sonic Trading Mgmt., L.L.C.*, 445 F.3d 1348, 1350 (Fed. Cir. 2006) ("Without the vital contextual knowledge of the accused products or processes, this appeal takes on the attributes of something akin to an advisory opinion on the scope of the [patent-in-suit]."); *see also* *Mass. Inst. of Tech. v. Abacus Software*, 462 F.3d 1344, 1350-51 (Fed. Cir. 2006) (suggesting that it is "highly undesirable" to consider claim construction issues "without knowledge of the accused devices").

58. David Krinsky, *The Supreme Court, Stare Decisis, and the Role of Appellate Deference in Patent Claim Construction Appeals*, 66 MD. L. REV. 194, 225 (2006).

the claims for all future purposes. Parties and courts endeavor to construe claims in a way that will resolve the question at hand for a particular case: whether the accused product infringes.<sup>59</sup> In doing so, the two-step analysis effectively may collapse into a single question of claim construction if the operation of the accused product is undisputed.<sup>60</sup> This converts the infringement question into a pure matter of law, reviewed de novo on appeal.<sup>61</sup> But the reverse also may occur depending on a party's litigation strategy for a particular case. Parties may choose to forgo proffering a claim construction in favor of applying the "plain and ordinary meaning" of unconstrued claim terms. Similarly, even if parties do proffer constructions, courts may decline to adopt a construction if they determine that claim terms should be given their "plain and ordinary meaning." In either circumstance, simply applying the plain and ordinary meaning collapses the two-step analysis into a single question of infringement, a question of fact. As discussed in more detail below, the ability to shift the overall infringement analysis into either the "question of law" category or the "question of fact" category generates important strategic considerations for litigants.

### C. Metaconstruction

Because the claim construction process is subject to strategic maneuvering by the parties and often occurs outside of the context of the accused product, the district court often may have to revisit claim construction throughout a case. If claim construction is performed early in a case with little or no reference to the accused product, a court will have to decide eventually what a particular claim construction means in the context of the accused product. That is, the court will have to apply its constructions to the accused product, such as at summary judgment, during trial, or while considering a motion for judgment as a matter of law. When doing so, a court may determine that a party has misperceived the court's prior construction or that its construction needs further clarification. In light of this reality, the Federal Circuit allows courts to engage in a "rolling" claim construction that is revisited throughout a case as the court's understanding of the dispute evolves.<sup>62</sup> A problem inevi-

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59. *See id.*

60. *See, e.g.,* Gen. Mills, Inc. v. Hunt-Wesson, Inc., 103 F.3d 978, 983 (Fed. Cir. 1997) ("Where the parties do not dispute any relevant facts regarding the accused product . . . but disagree over possible claim interpretations, the question of literal infringement collapses into claim construction . . ."); Athletic Alts., Inc. v. Prince Mfg., Inc., 73 F.3d 1573, 1578 (Fed. Cir. 1996).

61. *Id.* But see Int'l Rectifier Corp. v. IXYS Corp., 361 F.3d 1363, 1375 (Fed. Cir. 2004) (distinguishing the situation in which parties do not agree as to "how each of two competing claim constructions would apply to the undisputed structure of the accused invention").

62. Pressure Prods. Med. Supplies, Inc. v. Greatbatch, Ltd., 599 F.3d 1308, 1316 (Fed. Cir. 2010) (quoting Pfizer, Inc. v. Teva Pharms., USA, Inc., 429 F.3d 1364,

tably occurs when parties dispute the meaning of words used in the court's claim constructions.<sup>63</sup> In essence, the parties will construe the construction.<sup>64</sup> Professors Lemley and Burk aptly have termed this phenomenon "metaconstruction" and cite this problem as one among many in the United States' modern peripheral patent claiming system, which they argue has become "claim burdened."<sup>65</sup> One possible solution to metaconstruction is for a district court to implement a dual-track summary judgment procedure in which dispositive noninfringement motions premised on claim construction are filed before or during the claim construction process.<sup>66</sup> This procedure may be an effective way for a court to learn the motivations underlying claim construction disputes, to address those motivations directly, and to avoid the need to re-construe a prior construction.<sup>67</sup> Nonetheless, such procedures are not the norm in most district courts and the phenomenon of metaconstruction persists.<sup>68</sup>

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1377 (Fed. Cir. 2005)) ("[D]istrict courts may engage in a rolling claim construction, in which the court revisits and alters its interpretation of the claim terms as its understanding of the technology evolves."); *Conoco, Inc. v. Energy & Environmental Intern., L.C.*, 460 F.3d 1349, 1359 (Fed. Cir. 2006).

63. Dan L. Burk & Mark A. Lemley, *Quantum Patent Mechanics*, 9 LEWIS & CLARK L. REV. 29, 51-52 & n.118 (2005) [hereinafter Burk & Lemley, *Quantum Patent Mechanics*] (citing *Lockheed Martin Corp. v. Space Systems/Loral, Inc.*, 324 F.3d 1308, 1319 (Fed. Cir. 2003)).

64. Dan L. Burk & Mark A. Lemley, *Fence Posts or Sign Posts? Rethinking Patent Claim Construction*, 157 U. PA. L. REV. 1743, 1760 (2009); *see also* Every Penny Counts, Inc. v. Am. Express Co., 563 F.3d 1378, 1383 (Fed. Cir. 2009) ("As Michel de Montaigne has said, there are times when '[w]e need to interpret interpretations more than to interpret things.'" (quoting JACQUES DERRIDA, *STRUCTURE, SIGN AND PLAY IN THE DISCOURSE OF THE HUMAN SCIENCES*, IN *WRITING AND DIFFERENCE* 278 (Alan Bass trans., 1980)), *cert. denied*, 130 S. Ct. 565 (2009)).

65. Burk & Lemley, *supra* note 64, at 1760, 1771. Burk and Lemley suggest a move back in the direction of central claiming as a possible solution to the problems caused by claim construction in the modern peripheral claiming system. *Id.* at 1783-99.

66. This approach is advocated as a way to provide the court with much-needed context when performing claim construction, and it offers the potential efficiency of focusing on a limited number of potentially dispositive claim terms. *See* PETER S. MENELL ET AL., *PATENT CASE MANAGEMENT JUDICIAL GUIDE* 6-4 to 6-5 (2009), available at <http://ssrn.com/abstract=1328659>.

67. *Id.*

68. The problem of metaconstruction is not limited to the district courts. The Federal Circuit recently grappled with construction of the construction on appeal in *Cordis Corp. v. Boston Scientific Corp.*, Nos. 2010-1311, 2010-1316, 2011 WL 4470563, at \*5-6 (Fed. Cir. Sept. 28, 2011). In that case, the court found itself attempting to ascertain the "plain and ordinary meaning" of the meaning the district court had assigned to a claim term. *Id.* As one commentator has noted, this problem raises a difficult issue that implicates litigation predictability. *See* Jason Rantanen,

A major cause of constructions of the construction is the legal requirement, acknowledged by the Federal Circuit in *O2 Micro International, Ltd. v. Beyond Innovation Technology Co.*, that the court must resolve all disputes of “claim scope” as a matter of law and must not submit such disputes to the jury.<sup>69</sup> The next Part examines the boundary between claim construction and infringement in the substantive context and the impact of *O2 Micro* on this balance.

#### IV. SUBSTANTIVE LINE DRAWING: *O2 MICRO* AND SUBSEQUENT CASES

Substantively, the *Markman-Cybor* regime makes claim construction a pure question of law that is the exclusive province of the court. Under this regime, the court has the exclusive duty to interpret claim language as a matter of law. But how far does this duty extend and when can the court determine that it has satisfied this duty? The law recognizes two opposite ends of a spectrum for the duty to construe. On one end, the law demands that the court, not the jury, must resolve all disputes of claim scope by assigning “a fixed, unambiguous, legally operative meaning to the claim.”<sup>70</sup> At this end, the law demands construction. On the opposite end, the law instructs the court that, at some point, the legal inquiry of claim construction ends and the factual inquiry of infringement begins. While claims are required to point out and distinctly claim the invention, this does not mean

that a court, under the rubric of claim construction, may give a claim whatever additional precision or specificity is necessary to facilitate a comparison between the claim and the accused product. Rather, after the court has defined the claim with whatever specificity and precision is warranted by the language of the claim and the evidence bearing on the proper construction, the task of determining whether the construed claim reads on the accused product is for the finder of fact.<sup>71</sup>

Somewhere between these two ends of the spectrum lies the “substantive” interface between claim construction and infringement.

A common scenario in which this substantive line is drawn is when a court, often prompted by the patentee, determines that a seemingly plain-

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*Construing Claim Constructions*, PATENTLY-O BLOG (Sept. 28, 2011, 4:13 PM), <http://www.patentlyo.com/patent/2011/09/construing-claim-constructions.html>.

69. 521 F.3d 1351, 1360 (Fed. Cir. 2008).

70. *Liquid Dynamics Corp. v. Vaughan Co.*, 355 F.3d 1361, 1367 (Fed. Cir. 2004); see also *O2 Micro*, 521 F.3d at 1360 (“When the parties raise an actual dispute regarding the proper scope of the[] claims, the court, not the jury, must resolve that dispute.”).

71. *PPG Indus. v. Guardian Indus. Corp.*, 156 F.3d 1351, 1355 (Fed. Cir. 1998).

language claim term, such as “only if,” needs no construction.<sup>72</sup> When determining this, the court typically declares that the element should be afforded its “plain and ordinary meaning” without providing any further interpretation or guidance to the finder of fact. Such a decision makes the fact-finder the final arbiter of claim scope in assessing whether the accused instrumentality falls within that “plain and ordinary meaning.”

In a recent example, *O2 Micro International, Ltd. v. Beyond Innovation Technology Co.*, the Federal Circuit reversed such a decision of Judge T. John Ward of the patent-saturated Eastern District of Texas.<sup>73</sup> The court held it was error to accord the disputed term “only if” its “plain and ordinary meaning” because this improperly submitted the question of claim construction to the jury in violation of *Markman*.<sup>74</sup>

### A. O2 Micro

In *O2 Micro*, the Federal Circuit further reinforced *Markman* and *Cybor* by emphasizing that disputes regarding the legal meaning of simple English words (*i.e.*, “only if”) should not be submitted to the jury within the factual question of infringement if an underlying dispute as to their legal scope exists.<sup>75</sup> This case dealt with DC-to-AC converter circuitry used in backlighting laptop screens.<sup>76</sup> The relevant claim language specified that a second pulse signal for controlling power was generated “only if” a feedback signal was above a certain threshold.<sup>77</sup> During the *Markman* phase of the case, the ac-

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72. See, e.g., *O2 Micro*, 521 F.3d at 1357. A similar scenario is presented when the court is confronted with inherently imprecise terms, such as “about,” “substantially,” or “consisting essentially of,” which may not be capable of being given a more precise legal meaning in the context of particular patents. See, e.g., *PPG Indus.*, 156 F.3d at 1355 (noting that claims may contain inherently imprecise terms for which different finders of fact could reach different conclusions, but explaining that this “is a necessary consequence of treating infringement as a question of fact subject to deferential review” and this “does not mean that the claim was improperly construed as an initial matter”).

73. *O2 Micro*, 521 F.3d at 1354.

74. *Id.* at 1361-62.

75. *Id.* at 1362.

76. *Id.* at 1354.

77. *Id.* at 1356. This language was part of a limitation that was added during prosecution of the patent in response to a prior art rejection, but the patentee provided little explanation for the amendment. *Id.* Apparently, these two simple words, “only if,” were the only terms that the accused infringer contended were not satisfied by the accused product within a sea of other terms in the claim language:

A DC/AC converter circuit for controllably delivering power to a load, comprising an input voltage source; a first plurality of overlapping switches and a second plurality of overlapping switches being selectively coupled to said voltage source, said first plurality of switches defining a first conduction path, said second plurality of switches defining a second

cused infringers proffered constructions of “only if” that sought to emphasize that no exceptions were allowed.<sup>78</sup> The patentee, however, contended that no construction of these “two simple, plain English words” was necessary.<sup>79</sup> The district court agreed with the patentee’s “no construction” approach because this term “has a well-understood definition, capable of application by both the jury and [the] court in considering the evidence submitted in support of an infringement or invalidity case.”<sup>80</sup> During trial, infringement turned on whether the accused devices satisfied the “only if” limitation, either literally or under the doctrine of equivalents.<sup>81</sup> The jury found that the accused devices did include this element and, as a result, found infringement.<sup>82</sup>

The Federal Circuit reversed, holding that the district court improperly had submitted a legal question of claim construction to the jury in violation of *Markman*.<sup>83</sup> The court held that “[w]hen the parties raise an actual dispute regarding the proper scope of the[] claims, the court, not the jury, must resolve that dispute.”<sup>84</sup> The court continued: “In deciding that only if needs no construction because the term has a well-understood definition, the district court failed to resolve the parties’ dispute because the parties disputed not the

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conduction path; a pulse generator generating a first pulse signal; a transformer having a primary side and a secondary side, said primary side selectively coupled to said voltage source in an alternating fashion through said first conduction path and, alternately, through said second conduction path; a load coupled to said secondary side of said transformer; and a feedback control loop circuit receiving a feedback signal indicative of power being supplied to said load, and adapted to generate a second signal pulse signal for controlling the conduction state of said second plurality of switches *only if* said feedback signal is above a predetermined threshold; and drive circuitry receiving said pulse signal and controlling a conduction state of said first and second plurality of switches based on said first and second pulse signals, wherein, said drive circuitry alternating the conduction state of said first and second plurality of switches, controlling the overlap time of the switches in the first plurality of switches, and controlling the overlap time of the switches in the second plurality of switches, to couple said voltage source to said primary side.

U.S. Patent No. 6,259,615, at claim 1 (filed July 10, 2001) (emphasis added); *O2 Micro*, 521 F.3d at 1357.

78. *O2 Micro*, 521 F.3d at 1357. Apparently, defendants sought to establish non-infringement by showing that the accused circuitry would generate the pulse in situations where the feedback signal was not above a threshold, including during the start-up phase and a 32-microsecond delay during a power-down phase, even though the circuitry admittedly met this limitation during steady-state operation. *See id.* at 1360-61.

79. *Id.* at 1357.

80. *Id.*

81. *Id.* at 1358.

82. *Id.*

83. *Id.* at 1362-63.

84. *Id.* at 1360.



meaning of the words themselves, but the *scope* that should be encompassed by this claim language.”<sup>85</sup> The Court made a significant caveat in this holding, however, by recognizing “that district courts are not (and should not be) required to construe every limitation present in a patent’s asserted claims.”<sup>86</sup> The court noted that, in other cases, it may be proper to determine that the question is one of infringement rather than claim construction.<sup>87</sup> Here, however, the Federal Circuit held that the district court erred in not construing the legal scope of “only if,” which submitted a question of claim construction to the jury in violation of *Markman*.<sup>88</sup>

Two primary factors appear to have influenced the Federal Circuit’s decision. First, the district judge stated during the *Markman* hearing that the parties’ dispute as to the legal meaning of “only if” “boils down to whether I believe there can be an exception,” yet his resulting *Markman* order did not answer this question.<sup>89</sup> Second, the Court was disturbed by the patentee’s presentation to the jury of self-serving inventor testimony as to the scope of “only if” and by similar arguments of claim scope made to the jury by defendants – all without resort to the patent’s intrinsic evidence.<sup>90</sup> By failing to construe the term, the Court found that the district court had left the jury free to consider these arguments.<sup>91</sup> In light of these two occurrences, the Federal Circuit determined that the district court had not fully satisfied its duty: “When the parties present a fundamental dispute regarding the scope of a claim term, it is the court’s duty to resolve it.”<sup>92</sup>

In support of its holding, the Federal Circuit draws a peculiar distinction between what might be considered two types of claim construction: interpreting the legal “meaning” of claim terms, and determining the legal “scope” that should be encompassed by claims. The Court suggests that the parties had not disputed the *meaning* of the plain words “only if,” but had instead disputed the implications that these terms had on the hypothetical *scope* of the

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85. *Id.* at 1361 (emphasis added) (internal quotation marks omitted). The Court does not appear to cite a basis for the distinction it draws between interpreting the “meaning” of the words used in a claim element and the “scope” that should be afforded to that claim element. See *id.*

86. *Id.* at 1362.

87. *Id.* (citing Biotec Biologische Naturverpackungen GmbH & Co. KG v. Biocorp, Inc., 249 F.3d 1341, 1349 (Fed. Cir. 2001)) (finding that the issue was one of proper application of claim language to an accused process rather than an issue of claim scope); U.S. Surgical Corp. v. Ethicon, Inc., 103 F.3d 1554, 1568 (Fed. Cir. 1997) (claim construction “is not an obligatory exercise in redundancy”).

88. *O2 Micro*, 521 F.3d at 1361-63 (reversing judgment of infringement and remanding to district court for further proceedings).

89. *Id.* at 1360.

90. *Id.* at 1362 & n.3.

91. *Id.* at 1362.

92. *Id.*

claim.<sup>93</sup> This distinction demonstrates that claim construction can sometimes be thought of as an exercise in assessing hypothetical questions of infringement. For example, would a system that generates a pulse with no feedback during power-up, but not during steady state operation, satisfy the “only if” requirement of the claim language? Would a system that does so during a delay at power-down satisfy the “only if” requirement? At least one court in the wake of *O2 Micro* endeavored to answer a series of true-false-like questions submitted by the parties to construe the legal “scope” of claim language.<sup>94</sup> Similarly, litigants sometimes proffer examples of express inclusions or express exclusions in a given claim construction (e.g., the term “board” includes wooden boards; or, the term “board” excludes polymer composite slabs). No hard and fast rules forbid construing claims through infringement hypotheticals or through express inclusions and exclusions. And, as Professors Burk and Lemley have observed, the Federal Circuit’s patent jurisprudence does not provide guidance as to how to appropriately size chunks of claim text (or “quanta” of text) for construction.<sup>95</sup> As a result, claim construction can occur at varying levels of abstraction – from singular terms to broad concepts embodied in large claim elements. Because claim construction can become an assessment of hypothetical questions of infringement regarding the broad notion of claim “scope” (as opposed to simply defining the meaning of individual claim terms), claim construction easily can swallow the factual infringement component of the two-step analysis. Indeed, litigants will often seek to use this to their advantage.

The *O2 Micro* opinion serves as a veritable “hammer instruction” to district courts reminding them of their duty to construe.<sup>96</sup> Understandably, a court may be persuaded by *O2 Micro* to construe claim language it might not have otherwise construed, or to revisit a prior claim construction, if the court feels that an unresolved dispute as to the legal scope of the claims remains. As discussed below, parties might rely on *O2 Micro* to prevent “plain and ordinary” claim constructions. Parties might also use it to argue for more precise construction that expressly adds or subtracts claim scope. Each of these implications of *O2 Micro* shifts the substantive claim construction-infringement line toward resolving disputes as a matter of claim construction.

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93. *Id.* at 1361 (emphasis added).

94. *Tyco Healthcare Grp. LP v. Applied Med. Res. Corp.*, No. 9:06-CV-151, 2009 WL 1883423, at \*6 (E.D. Tex. June 30, 2009).

95. Burk & Lemley, *Quantum Patent Mechanics*, *supra* note 63, at 41.

96. This analogy refers to a type of jury instruction that is sometimes given to deadlocked juries to remind them of their duty to deliberate. If used inappropriately, such instructions can be error if, under the circumstances, the court coerced the jury into reaching a verdict. *See, e.g., State v. Griffith*, 312 S.W.3d 413, 421 (Mo. App. S.D. 2010).

### B. The Aftermath of *O2 Micro*

The *O2 Micro* “hammer instruction” serves an important purpose in preserving the line between the legal inquiry of claim construction, a duty of the court, and the factual inquiry of infringement, a duty of the jury. That is, *O2 Micro* encourages trial courts to avoid submitting questions of claim construction to the jury in violation of *Markman*’s mandate. The opinion, however, also may have the tendency to cause trial judges to construe away factual questions of infringement through over-construction that is not supported by the canons of claim construction or the intrinsic evidence. The case of *Pressure Products Medical Supplies, Inc. v. Greatbatch, Ltd.* demonstrates this possibility.<sup>97</sup>

In *Pressure Products*, the Federal Circuit’s *O2 Micro* opinion motivated the district court to reconsider its prior claim construction to resolve an apparent dispute of claim scope that surfaced during trial.<sup>98</sup> The court’s construction had construed the claimed “means for permitting removal” as including “score lines,” which were the corresponding structure for performing the recited function of “permitting removal.”<sup>99</sup> The magistrate had construed score lines as being one or more lines defined in a particular valve and sheath.<sup>100</sup> During trial, the accused infringer pursued a non-infringement theory that distinguished its “slits” from the required “lines.”<sup>101</sup> The district court felt that a dispute regarding the legal scope of the claims had arisen as to what structures were included within the literal scope of the claims.<sup>102</sup> In response, the court further construed the claim language to avoid submitting a claim construction question to the jury in violation of *O2 Micro*.<sup>103</sup> In doing so, the court held that the “means for permitting removal” included “slits.”<sup>104</sup>

97. 599 F.3d 1308 (Fed. Cir. 2010).

98. *Id.* at 1316 (“[Appellant] now contends that the district court erred by relying on *O2 Micro* for its decision.”); Transcript of Record at 680, *Pressure Prods. Med. Supplies, Inc. v. Greatbatch, Ltd.*, No. 9:06-cv-00121-RC (E.D. Tex. June 13, 2008), Doc. No. 188, (district judge interpreting *O2 Micro* as “mak[ing] it fairly clear that when an issue or a construction gets into scope[,] . . . it needs to be dealt with, especially when it becomes an issue at trial.”); *see also id.* at 681, 695-96, 701-707.

99. *Id.* at 1312-13. This followed the legally-required way for construing so-called “means plus function” claim elements. Statute requires that these elements be construed as covering the corresponding structures disclosed in the specification for performing the claimed function and equivalents thereof. 35 U.S.C. § 112, ¶ 6 (2006).

100. *Pressure Prods.*, 599 F.3d at 1313.

101. *Id.* at 1313-14.

102. *Id.* at 1314.

103. *Id.* at 1316 (noting that the trial judge relied on *O2 Micro* and that “the trial judge observed that the trial proceedings invited the jury to define this term on its own in a manner this court has questioned in *O2 Micro*”).

104. *Id.* at 1314 (defining “score line” as including a “slit”).

The Federal Circuit, however, held that this improperly broadened the scope of the claims to cover structures not disclosed in the specification.<sup>105</sup> While the Federal Circuit did not hold that the district court procedurally erred in revising its claim construction mid-trial, it did hold that the district court's original construction of "score line" was the correct construction.<sup>106</sup> The case, therefore, had to be remanded for reconsideration in light of the proper construction.<sup>107</sup>

This example demonstrates how *O2 Micro* may cause district courts to revisit prior constructions in a way that construes away the factual question of infringement. In this example, the court construed away the accused infringer's non-infringement position that distinguished "slits" from "lines." Likewise, a district court might construe away a patentee's infringement theory by narrowing a prior construction.<sup>108</sup> These scenarios occur because of the difficulty in defining the substantive outer limit of the court's duty to construe claim language as a question of law.

The Federal Circuit's rule in *O2 Micro* shifts the balance between claim construction and infringement toward resolving cases on the basis of the "purely legal" inquiry of claim construction. The Court's holding makes it potential legal error for a court to fail to further construe claim language if an underlying dispute remains as to the legal "scope" of the language. Because it remains unclear when a dispute as to claim "scope" need not be resolved as a matter of claim construction, *O2 Micro* allows for the substantive line between claim construction and infringement to be blurred and, as a result, shifted in favor of claim construction.

An examination of district court opinions further suggests this effect. In several instances, *O2 Micro* has prompted district courts to revisit their claim

105. *Id.* at 1316-18.

106. Compare *id.* at 1318, with *id.* at 1312-13 (adopting magistrate's original construction).

107. *Id.* at 1318.

108. A court might also revise its construction in a reverse manner that makes it less precise; the district court did this in *Kinetic Concepts, Inc. v. Blue Sky Med. Group, Inc.*, 554 F.3d 1010, 1016-18 (Fed. Cir. 2009) (district court vacated its construction of "wound" as "injury" or "trauma to any of the tissues of the body" and instead construed this term as having its plain and ordinary meaning), *cert. denied, sub nom.* Medela AG v. Kinetic Concepts, Inc., 130 S. Ct. 624 (2009). In this case, instead of holding that the trial court erroneously submitted a claim construction issue to the jury, the Federal Circuit affirmed the verdict finding the patent valid by holding that the term "wound" should be limited to "skin wounds." *Id.* at 1018-19. The prior art's teachings relating to internal wounds, thus, did not anticipate the claimed "wound" treatment, which had been construed to require treatment of "skin wounds." *Id.* Judge Dyk dissented; in his view, this construction erroneously limited the broad term "wound" to only "skin wounds" and the court's failure to construe "wound" broadly resulted in an erroneous submission of an underlying claim construction dispute to the jury, violating *O2 Micro*. *Id.* at 1027-28 (Dyk, J., dissenting).

constructions in favor of further construing claim language.<sup>109</sup> These courts have done so to avoid leaving questions of claim scope unresolved for consideration by a jury.<sup>110</sup> Thus *O2 Micro* is susceptible to being interpreted as a hammer instruction requiring further construction of claim “scope.” Specifically, courts may interpret *O2 Micro* as requiring the resolution of hypothetical questions of infringement in a way that forecloses parties’ particular infringement or non-infringement theories that apply a court’s prior constructions. Of course, *O2 Micro* permits district courts to determine, under appropriate circumstances, that claim language does not need construction other than being given its plain and ordinary meaning.<sup>111</sup> However, district courts likely will give such constructions careful, additional consideration in light of *O2 Micro* even if they ultimately adopt a “no construction” approach.<sup>112</sup> Thus *O2 Micro* likely will continue to have the effect of blurring the distinction between claim construction and infringement in a way that further shifts the boundary away from the factual question of infringement to the purely legal question of claim construction.

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109. See, e.g., *MagSil Corp. v. Seagate Tech.*, 2010 WL 4864810, at \*3 (D. Del. Nov. 16, 2010) (finding that “conflicting conceptions” of claim scope based on construction of “reverses” required the court to revisit its construction in order to resolve an unresolved dispute as to the construction of this plain and ordinary term); *Tesco Corp. v. Weatherford Int’l, Inc.*, 2010 WL 4627807, at \*3 (S.D. Tex. Sept. 27, 2010) (revisiting claim construction order at request of both parties, and amending claim construction order before trial at request of accused infringers); *Bd. of Regents of Univ. of Neb. v. Siemens Healthcare Diagnostics, Inc.*, 2010 WL 3724799, at \*10-11 (D. Neb. Sept. 16, 2010) (deciding to further specify claim construction of the term “same” in light of *O2 Micro*, rather than adopting the patentee’s proposed “no construction” approach); *Tyco Healthcare Grp. LP v. Applied Med. Res. Corp.*, No. 9:06-CV-151, 2009 WL 1883423, at \*6 (E.D. Tex. June 30, 2009) (accepting invitation under *O2 Micro* to revisit court’s claim construction in response to scope disputes that arose in parties’ expert reports by answering series of true/false questions regarding claim scope).

110. See *supra* note 104 and accompanying text.

111. *O2 Micro Int’l, Ltd. v. Beyond Innovation Tech. Co.*, 521 F.3d 1351, 1362 (Fed. Cir. 2008).

112. For example, many Eastern District of Texas claim construction opinions expressly and repeatedly indicate that they have considered *O2 Micro* and have determined that their “needs no further construction” decision effectively resolved the parties’ claim scope dispute. See, e.g., *Internet Machs. LLC v. Alienware Corp.*, No. 6:10-cv-023, 2011 WL 2551295, at \*7 (E.D. Tex. June 24, 2011) (“Having resolved the parties’ disagreement about the scope of the claims, construction of these terms is unnecessary.”); *Mirror Worlds, LLC v. Apple, Inc.*, 742 F. Supp. 2d 875, 884-85 (E.D. Tex. 2010); *Alcatel USA Sourcing, Inc. v. Microsoft Corp.*, No. 6:06 CV 499, 2008 WL 3914889, at \*8 (E.D. Tex. Aug. 21, 2008) (“The Court has resolved the parties’ claim-scope dispute and will not further define the term.” (citing *O2 Micro*, 521 F.3d at 1362)).

## IV. STRATEGIC CONSIDERATIONS

The separation between claim construction and infringement is imprecise and subject to both procedural and substantive blurring, which generates several strategic considerations for patent litigants. Given the lack of a required procedural boundary, litigants may have substantial flexibility in deciding when construction occurs and how close in proximity it occurs to the application of the construction to the accused product. And given similar flexibility in the substantive context, litigants often will have substantial flexibility in deciding whether to advance a theory of infringement or non-infringement in the context of a purely legal claim construction determination or a factual determination of infringement. Not surprisingly, litigants will seek to capitalize on the procedural and substantive flexibility of the claim construction-infringement interface.

Several factors incentivize attempts to shift the line. First, the difference in the standard of review incentivizes shifting the line. Within the two-step infringement analysis, the first step of construing claim scope as a matter of law is given no deference when reviewed on appeal.<sup>113</sup> The second step of applying the claim construction to the accused product to determine infringement is reviewed under the deferential “substantial evidence” standard.<sup>114</sup> Obviously, *de novo* review provides more scrutiny than substantial evidence review. Litigants, therefore, will be motivated to shift the line one way or another to influence the applicable standard of review that their respective theory of liability or non-liability will receive on appeal.

Second, the judge-jury allocation incentivizes attempts to shift the line. Accused infringers often hope to resolve infringement disputes as a matter of claim construction to prevent the need for a jury to consider infringement as a question of fact. Patentees, on the other hand, would prefer to avoid precise claim constructions, opening the path to the jury. The reason is twofold. First, patentees tend to be favored at trial, with a high win rate among all patent cases that go to trial.<sup>115</sup> Second, patentees who can avoid having their infringement theories foreclosed as a matter of law during claim construction gain substantial financial leverage against accused infringers, especially if patentees are seeking settlement premised on the accused infringer’s cost of

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113. See, e.g., *Telemac Cellular Corp. v. Topp Telecom, Inc.*, 247 F.3d 1316, 1323 (Fed. Cir. 2001).

114. See, e.g., *Finjan, Inc. v. Secure Computing Corp.*, 626 F.3d 1197, 1202 (Fed. Cir. 2010).

115. Kimberly A. Moore, *Judges, Juries, and Patent Cases – An Empirical Peek Inside the Black Box*, 99 MICH. L. REV. 365, 384-85 & n.81 (2000) (finding an overall win rate of approximately 58% for patentees in all patent cases that go to trial); see also *id.* at 368 (finding that “juries are significantly more likely to find patents valid, infringed, and willfully infringed than judges”). Moore also found that when patentees initiate suit, which is most common, they prevailed 68% of the time before juries. *Id.*

defense. The high cost to defend a patent case provides an incentive for accused infringers to settle cases for more than they may otherwise be worth.<sup>116</sup> As a result, patentees frequently favor a “no construction” (or “plain and ordinary meaning”) approach, which has a relatively high success rate over accused infringers’ proffered constructions.<sup>117</sup> The potential benefits of shifting the line also come with risks. In hopes of obtaining early certainty in a patent case, accused infringers often will seek to shift the line toward claim construction to resolve an infringement dispute as a matter of law. This can enable early summary judgment. The risk, however, is that the district court may reject the proffered claim construction, foreclosing the ability to raise this non-infringement argument in the context of step two, the infringement inquiry.<sup>118</sup> On the other hand, if an accused infringer does not advance their

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116. *Id.* at 367 (patent litigation “routinely costs each party in excess of a million dollars”). The modern industry of patent lawsuits filed by so-called non-practicing entities has arisen and flourished based in part on this premise. Mark A. Lemley & Carl Shapiro, *Patent Holdup and Royalty Stacking*, 85 TEX. L. REV. 1991, 2009 (2007) (estimating that “[n]onpracticing entities file 30-40% of all patent suits in the computing and electronics industries, for example”). And it is not an uncommon strategy for non-practicing entities to use the delayed timing of *Markman* hearings and the resultant discovery costs imposed by most jurisdictions’ local patent rules and standard patent docket control orders to force defendants into a *Hobson’s* choice of “spend[ing] more than the settlement range on discovery, or settl[ing] for what amounts to cost of defense, regardless of whether a Defendant believes it has a legitimate defense.” See, e.g., Memorandum Opinion and Order at 6-7, *Parallel Networks LLC v. AEO, Inc.*, No. 6:10-cv-00111-LED (E.D. Tex. Mar. 15, 2011), Doc. No. 338 (ordering early claim construction process for a few claim terms to counter plaintiff’s strategy).

117. See, e.g., James R. Barney & Charles T. Collins-Chase, *An Empirical Analysis of District Court Claim Construction Decisions, January to December 2009*, 2011 STAN. TECH. L. REV. 2, ¶¶ 49, 59, 60 (2011) (detailing the relative success of patentee’s “no construction” approach when used against accused infringers’ proffered constructions); *id.* at ¶ 65 (recent empirical studies suggest that, in district courts, “there may be a systemic bias in favor of patentees’ constructions”).

118. Courts may prevent accused infringers from circumventing a claim construction order through re-advancing a rejected claim construction theory under the guise of arguing the factual question of infringement. See, e.g., *Liquid Dynamics Corp. v. Vaughan Co.*, 449 F.3d 1209, 1224 & n.2 (Fed. Cir. 2006) (holding that district court did not error in excluding expert testimony inconsistent with claim construction); *Cytologix Corp. v. Ventana Med. Sys., Inc.*, 424 F.3d 1168, 1172 (Fed. Cir. 2005) (noting the impropriety of allowing expert opinions premised on an incorrect claim construction); *MarcTec, LLC v. Johnson & Johnson*, No. 07-CV-825, 2010 WL 680490, at \*4 (S.D. Ill., Feb. 23, 2010) (“This Court excluded expert testimony premised on this mischaracterization of the claim construction as inadmissible under [*Daubert*] and [Fed. R. Evid. 702] because it ‘d[id] not address the requirements of the Court’s claim construction and is irrelevant to the question of infringement.’” (third alteration in original) (quoting *MarcTec, LLC v. Johnson & Johnson*, 638 F. Supp. 2d 987, 1006 (S.D. Ill. 2009))); *Transamerica Life Ins. Co. v. Lincoln National*

non-infringement theory through claim construction, they likely will waive the ability to later seek this claim construction or obtain *de novo* review of their theory as an issue of claim construction on appeal.<sup>119</sup> Further complicating this consideration is the fact that, in at least one published opinion, the Federal Circuit held that a party waived a factual non-infringement argument by not advancing it as a claim construction argument.<sup>120</sup> Thus, significant strategic decisions must be made by patentees and accused infringers in determining whether to advance certain arguments of infringement or non-infringement as either a purely legal question of claim construction or as a factual application of the construction.

## V. CONCLUSION

Current patent jurisprudence masks the reality that the theoretically separate steps of construing claims and applying the construed claims are inseparable in practice. These inquiries lie on a procedural and substantive continuum that intermingles them. Procedurally, the Federal Circuit does not require a strict temporal divide – a divide that some courts view as inefficient – and has become increasingly receptive to construing claims in light of the accused product. Substantively, the question of when imprecise plain English words in claim language should be construed or given their plain and ordinary meaning remains “a subtle, confounding, and thorny aspect of patent adjudi-

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Life Ins. Co., 597 F. Supp. 2d 897, 910 (N.D. Iowa 2009) (“It also follows that no party should be allowed to . . . reassert to the jury constructions that the court has already expressly or implicitly rejected.”); *Gemtron Corp. v. Saint-Gobain Corp.*, No. 1:04-0387, 2008 WL 1808803, at \*2 (W.D. Mich. April 21, 2008) (preventing an attempt to “recycle[] . . . rejected claim construction arguments” at trial); *CIENA Corp. v. Corvis Corp.*, 334 F. Supp. 2d 598, 608 (D. Del. 2004) (preventing defendant’s “attempts to distinguish its accused system [by] reargu[ing] claim construction issues which were already rejected by the Court”).

119. *E.g.*, *Lazare Kaplan Int’l, Inc. v. Photoscribe Techs., Inc.*, 628 F.3d 1359, 1376 (Fed. Cir. 2010) (distinguishing *O2 Micro*, in which the appellant had presented its claim construction argument to the district court, because “litigants waive their right to present new claim construction disputes if they are raised for the first time after trial”) (quoting *Broadcom Corp. v. Qualcomm, Inc.*, 543 F.3d 683, 694 (Fed. Cir. 2008)).

120. *Enovsys LLC v. Nextel Comms., Inc.*, 614 F.3d 1333, 1345-46 (Fed. Cir. 2010) (Newman, J., concurring in part and dissenting in part) (explaining that the district court held that defendant had waived its defense by not raising its arguments under the guise of claim construction and noting that “it is not unusual to see an intermingling or misplacement of the relationship between the claim as construed in light of the description of the invention in the specification, and the question of infringement by the accused device”). As observed by Judge Newman, infringement questions may sometimes be decided as claim construction and questions of claim construction sometimes arise as questions of infringement when the trier of fact decides whether the claim reads on the accused device. *Id.*



cation.”<sup>121</sup> In the substantive context, the *O2 Micro* opinion has shifted the boundary toward resolving disputes as a purely legal question of claim construction and away from resolving them through the factual inquiry of infringement. The rule of *O2 Micro* has also encouraged metaconstruction to an extent that tends to subsume the infringement inquiry into claim construction. This Article takes no view on where the fading “line” between claim construction and infringement should be drawn. But conceptualizing this divide as an uncertain continuum affords litigants strategic flexibility to consider how they might best frame the issue of patent infringement in a favorable way for their particular case.

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121. Menell, Powers & Carlson, *supra* note 13, at 735.